

## GLOSSARY

A number of terms are used extensively in budgeting and appropriations. The most common terms, which are used throughout the budget analysis and in other fiscal materials, are listed and defined below.

**Appropriations** – An authorization by law for the expenditure of funds or to acquire obligations. Types of appropriations are listed below.

*Biennial* – A biennial appropriation is an appropriation made in the first year of the biennium, where the appropriated amount can be spent in either year of the biennium.

*Budget amendment* – See “Budget Amendment” below.

*Continuing* – An appropriation that continues beyond one biennium.

*Language* – An appropriation made in the language of the general appropriations act for a non-specific or limited dollar amount. Language appropriations are generally used when an agency knows that it will be receiving federal or state special revenue funds but is uncertain as to the amount.

*Line Item* – An appropriation made for a specific purpose and which cannot be used for any other purpose. Line item appropriations highlight certain appropriations and ensure that they can be separately tracked on the state accounting system.

*One-time* – Appropriations for a one-time purpose that are excluded from the base budget in the next biennium.

*Restricted* – An appropriation designated for a specific purpose or function.

*Statutory* – Funds appropriated in permanent law rather than a temporary bill. All statutory appropriations references are listed in 17-7-502, MCA.

*Temporary* - An appropriation authorized by the legislature in the general appropriations act or in a “cat and dog” bill that is valid only for the biennium.

**Appropriation Transfers** (also see “Supplemental Appropriation”) – The transfer of funds appropriated for the second year of the biennium to the first if the Governor or other approving authority determines that due to an unforeseen or unanticipated emergency there are insufficient funds in the first year for the operation of an agency.

**Approving Authority** – The entity designated in law as having the authority to approve certain budgetary changes during the interim. The approving authorities are:

- The Governor or his/her designated representative for executive branch agencies
- The Chief Justice of the Supreme Court or his/her designated representative for the judicial branch agencies
- The Speaker of the House of Representatives for the House
- The President of the Senate for the Senate

- The appropriate standing legislative committees or designated representative for the legislative branch divisions
- The Board of Regents of Higher Education or their designated representative for the university system

**Average Daily Population (ADP)** – The population measure used to calculate population in the Montana correctional system. ADP is equivalent to one inmate incarcerated for one year.

**Average Number Belonging (ANB)** – The enrollment measure used for K-12 BASE aid calculations. ANB is the equivalent of one full-time student enrolled in school for the full school year.

**Base** – The level of funding authorized by the previous legislature.

**Base Budget** – The resources needed for the operation of state government that provide for expenses of an ongoing and non-extraordinary nature in the current biennium.

**Benefits** – An expenditure category used to account for the provision of payments or services by the government to individuals who qualify for receipt of those payments or services, such as Medicaid benefits. Personal services benefits for state employees are included in the personal services expenditure category.

**Biennial Appropriation** – An appropriation that can be expended in either or both years of the biennium.

**Biennium** – A two-year period. For the state, this period begins July 1 of the odd-numbered years and ends June 30 of the following odd-numbered year.

**Budget Amendments** – Temporary authority to spend unanticipated non-general fund revenue received after the legislature adjourns. The funds must be used to provide additional services and cannot make a commitment of general fund support for the present or future.

**Cat and Dog Appropriations** – One-time appropriations made in bills other than the general appropriations act.

**Debt Service** – The payment on outstanding bonds.

**Decision Package** – Separate, specific adjustments to the base budget. Decision packages can be either present law adjustments or new proposals.

**Earmarked Revenue** – Funds from a specific source that can be spent only for designated activities.

**Enterprise Funds** – A fund used to account for operations financed and operated similar to private business enterprises, where the intent of the legislature is to finance or recover costs, primarily through user charges.

**Federal Special Revenue** – Accounts deposited in the state treasury from federal sources, to be used for the operation of state government.

**Fiduciary Funds** – Funds used to account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

**Fiscal Note** - An estimate, prepared by the Office of Budget and Program Planning, of the probable revenues and costs that will be incurred as the result of a bill or joint resolution.

**Fiscal Year (FY) aka State Fiscal Year (SFY)** – A 12-month accounting period beginning July 1 and ending June 30. Fiscal year 2003 refers to the fiscal year ending June 30, 2003. (Note: The federal fiscal year (FFY) is October 1 through September 30.)

**Fixed Costs** – Fees (fixed costs) charged to agencies for a variety of services provided by other state agencies (e.g., payroll service fees, rent, warrant writing services, and data network services.).

**FTE** – Full-Time Equivalent position, or the equivalent of one person working full-time for the entire year. Also used to denote full-time equivalent students in the Montana University System for purposes of calculating state support.

**Fund** – A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

**General Fund** – Accounts for all governmental financial resources except those that must be accounted for in another fund.

**General Fund Reversions** – Unspent appropriated funds that are returned to the general fund at the close of the budget period.

**Grants** – An expenditure category used to account for the payment by a government entity to an individual or other entity who will perform a service.

**HB 2** –The General Appropriations Act in which the legislature authorizes the funding for state government for the upcoming biennium. Each session, House Bill 2 is reserved for this purpose.

**Indirect Cost** – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to a specific division or agency.

**Interim** – The time between regular legislative sessions.

**Internal Service Funds** – Funds use to account for the financing of goods and services provided by one department or agency to other departments, agencies, or governmental entities on a cost-reimbursement basis.

**IRIS** - The Integrated Revenue Information System (IRIS) is an automated system to administer taxes that are the responsibility of the Department of Revenue to collect.

**Local Assistance** – An expenditure classification primarily used to account for expenditures made for K-12 funding provided by the state to school districts.

**MBARS** – The Montana Budget Analysis and Reporting System, which provides all state agencies with one computerized system for budget development, maintenance and tracking, and is integrated with the State Accounting, Budget, and Human Resource System (SABHRS).

**Mill** – The property tax rate based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property value.

**New Proposals** – Requests (decision packages) to provide new non-mandated services, to change program services, to eliminate existing services, or to change the source of funds.

**Non-budgeted Expenditures** – Accounting entries for depreciation, amortization, and other financial transactions that appear as expenditures, but don't actually result in direct dispersal of funds from the state treasury.

**Operating Expenses** – All operating expenditures that do not meet the personal services and capital outlay classification criteria. These expenditures include, but are not limited to, professional services, supplies, rent, travel, and repair and maintenance.

**Other Funds** – Capital projects and fiduciary funds.

*Capital projects fund* – Accounts for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds.

*Fiduciary funds* – Trust and agency fund types used to account for assets held by state government in a trustee capacity or as an agency for individuals, private organizations, other governmental entities, or other funds.

**Pay Plan** – Provision by the legislature of a general adjustment to salaries and/or benefits paid to state employees. Also refers to the pay schedule listing the state salary rate for each classified position according to that position's grade and the market rate.

**Personal Services** – Expenditures for salaries, benefits, per diem, and other additions, such as overtime.

**Personal Services Snapshot** – The point in time at which personal services attributes are captured and from which the personal services budget is determined. The executive budget personal services costs are based on a "snapshot" of actual salaries for authorized FTE as they existed in a pre-determined pay period in the base year.

**Present Law** – The additional level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature.

**Present Law Adjustments** – Requests (decision packages) for an adjustment in funding sufficient to allow maintenance of operations and services at the level authorized by the previous legislature (e.g., caseload, enrollment changes, and legally mandated workload).

**Program** – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible. Also, a grouping of functions or objectives that provides the basis for legislative review of agency activities for appropriations and accountability purposes.

**Proprietary Funds** – Enterprise or internal service funds. Statute does not require that most proprietary funds be appropriated.

*Enterprise funds* – Funds that account for operations financed and operated in a manner similar to private business enterprises, and through which the intent is to provide goods or services to the public.

*Internal service funds* – Funds that account for the financing of goods or services provided by one department or agency to other departments or agencies of state government.

**Reporting Levels** – Budget units dividing agency and program budgets into smaller units for the purpose of constructing, analyzing, and approving budgets.

**SABHRS** – The State Accounting, Budget, and Human Resource System that combines the state's accounting, budgeting, personnel, payroll, and asset management systems into one single system.

**State Special Revenue** – Accounts for money from state and other nonfederal sources that is earmarked for a particular purpose, as well as money from other non-state or nonfederal sources that is restricted by law or by the terms of an agreement.

**Supplemental Appropriation** – An additional appropriation made by the governing body after the budget year or biennium has started. There are two types of supplemental appropriations that can be used to increase spending authority for a fiscal year: 1) a transaction in an even-numbered year that moves spending authority from the second year of the biennium to the first year; or 2) an appropriation passed and approved by the legislature to provide authority for the odd-numbered fiscal year ending the current biennium.

**Vacancy Savings** – The difference between what agencies actually spend for personal services and the cost of fully funding all funded positions for the entire year.

# ACRONYMS

AES	Agricultural Experiment Station	LAD	Legislative Audit Division
ADP	Average Daily Population	LEPO	Legislative Environmental Policy Office
ANB	Average Number Belonging (K-12 education)	LFA	Legislative Fiscal Analyst
ARM	Administrative Rules of Montana	LFC	Legislative Finance Committee
BASE Aid	Base Amount for School Equity Aid	LFD	Legislative Fiscal Division
BPE	Board of Public Education	LRBP	Long Range Building Program
C&A	Cultural and Aesthetic (Trust)	LRP	Long Range Planning
CC	Community Colleges	LSD	Legislative Services Division
CES	Cooperative Extension Service	MAC	Montana Arts Council
CHE	Commissioner of Higher Education	MBARS	Montana Budgeting, Analysis, and Reporting System
CHIP	Children's Health Insurance Program (also SCHIP)	MBCC	Montana Board of Crime Control
CIO	Chief Information Officer	MBMG	Montana Bureau of Mines and Geology
COPP	Commissioner of Political Practices	MCA	Montana Code Annotated
COT	College of Technology, followed by campus designation	MCHA	Montana Comprehensive Health Association
CPI	Consumer Price Index	MDT	Montana Department of Transportation
DEQ	Department of Environmental Quality	MHP	Montana Highway Patrol
DMA	Department of Military Affairs	MHS	Montana Historical Society
DNRC	Department of Natural Resources and Conservation	MSDB	Montana School for the Deaf and Blind
DOA	Department of Administration	MSF	Montana State Fund
DOA	Department of Agriculture	MSL	Montana State Library
DOC	Department of Commerce	MSP	Montana State Prison
DOC	Department of Corrections	MSU	Montana State University, followed by campus designation i.e. MSU – Bozeman
DOJ	Department of Justice	MUS	Montana University System
DOLI	Department of Labor and Industry	NP	New Proposal
DOR	Department of Revenue	OBPP	Office of Budget and Program Planning
DP	Decision Package	OCHE	Office of the Commissioner of Higher Education
DPHHS	Department of Public Health and Human Services	OPI	Office of Public Instruction
FCES	Forestry and Conservation Experiment Station	PERS	Public Employees Retirement System
FMAP	Federal Medical Assistance Participation rate (Medicaid)	PL	Present Law
FSR	Federal Special Revenue	PSC	Public Service Commission
FSTS	Fire Services Training School	RIGWA	Resource Indemnity and Groundwater Assessment Tax
FTE	Full-Time Equivalent	RIT	Resource Indemnity Trust
FWP	Department of Fish, Wildlife, and Parks	SABHRS	Statewide Accounting, Budgeting, and Human Resources System
FFY	Federal Fiscal Year	SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
FY	Fiscal Year	SAO	State Auditor's Office
FYE	Fiscal Year End	SF&C	Senate Finance and Claims Committee
GAAP	Generally Accepted Accounting Principles	SOS	Secretary of State
GF	General Fund	SSR	State Special Revenue
GSL	Guaranteed Student Loan	TANF	Temporary Assistance for Needy Families
GTB	Guaranteed Tax Base	TRS	Teachers' Retirement System
HAC	House Appropriations Committee	TSEP	Treasure State Endowment Program
HSRA	Highways Special Revenue Account	UM	University of Montana, followed by campus designation i.e. UM – Missoula
I&I	Interest and Income		
IRIS	Integrated Revenue Information System		
IT	Information Technology		
ITSD	Information Technology Services Division		

## INDEX FOR ALL VOLUMES (1-4)

Acronyms (see Glossary/Acronyms/Index at the end of each volume) .....	
Administration, Dept. of .....	A-143, Volume 3
Agency Budget Analysis (Road Map) .....	2, Volumes 3 and 4
Agency Budget Comparisons by Fund .....	84, Volume 1
Agency Subcommittee Groupings .....	1, Volumes 3 and 4
Agricultural Experiment Station .....	E-111, Volume 4
Agricultural, Dept. of .....	C-140, Volume 4
Appellate Defender (see Public Defender) .....	
Appropriations Highlights .....	61, Volume 1
Appropriations by Fund Type .....	71, Volume 1
Appropriations by Program Area .....	68, Volume 1
Appropriations Summary .....	61, Volume 1
Arts Council .....	E-44, Volume 4
 Base Level Budget Comparisons .....	76, Volume 1
Biennial Budget Comparison .....	80, Volume 1
Board of Public Education .....	E-23, Volume 4
Board of Regents .....	E-128, Volume 4
Budget Basics .....	143, Volume 1
Budget Issues .....	12, Volume 1
Budget Overview .....	3, Volume 1
Budget Process – A Primer .....	143, Volume 1
Budget Summary, Legislative .....	31, Volume 1
Business Taxes .....	17, Volume 2
 Commerce, Dept. of .....	C-158, Volume 4
Commissioner of Higher Education, Office of (Administration Program) .....	E-83, Volume 4
Commissioner of Higher Education (entire university system) .....	E-70, Volume 4
Community College Assistance Program .....	E-97, Volume 4
Comparisons .....	75, Volume 1
Consensus Council, Montana .....	A-199, Volume 4
Consumer Counsel .....	A-15, Volume 3
Consumption (taxes, fees, or profits) .....	201, Volume 2
Corrections and Public Safety .....	Section D, Volume 4
Corrections, Dept. of .....	D-50, Volume 4
Crime Control, Board of (also Crime Control Division) .....	D-1, Volume 4
Cultural and Aesthetic Grant Program .....	F-39, Volume 4
 Deaf and Blind, School for .....	E-30, Volume 4
 Economic Outlook .....	11, Volume 2
Economic Overview .....	15, Volume 1
Education .....	Section E, Volume 4
Environmental Quality, Dept. of .....	C-45, Volume 4
Executive Budget, Comparison [of legislative budget] to .....	78, Volume 1

Executive Pay Plan Proposal .....	93, Volume 1
Extension Service.....	E-111, Volume 4
Fee Changes.....	132, Volume 1
Fire Services Training School .....	E-111, Volume 4
Fiscal Picture.....	17, Volume 1
Fish, Wildlife, and Parks, Dept. of .....	C-1, Volume 4
Forestry and Conservation Experiment Station.....	E-111, Volume 4
FTE (full-time equivalents), State Employees .....	96, Volume 1
Fund Balance (see General Fund Balance)	
Fund Balance Adequacy/Reserves.....	117, Volume 1
Fund Switches.....	130, Volume 1
General Fund Balance .....	34, 37, Volume 1
General Fund Outlook .....	5, Volume 1
General Fund Projection – 2007 .....	34, Volume 1
General Fund Projection – 2009 .....	37, Volume 1
General Fund Revenue Estimates .....	41, Volume 1; & 3, Volume 2
General Fund Revenue, Other .....	271, Volume 2
General Fund Revenues/Fund Balance (see General Fund Analysis)	
General Fund Summary – Fund Balance.....	33, Volume 1
General Fund Transfers .....	127, Volume 1
General Government and Transportation .....	Section A, Volume 3
General Reference .....	143, Volume 1
Glossary (see Glossary/Acronyms/Index at the end of each volume)	
Governor's Office .....	A-40, Volume 3
Health and Human Services.....	Section B, Volume 3
Higher Education (Montana University System).....	E-70, Volume 4
Highway Special Revenue Account .....	134, 142, Volume 1
Historical Society .....	E-54, Volume 4
How to Use This Report .....	1, Volume 1
Information Technology Projects, Long-Range Planning .....	F-18, Volume 4
Interest Earnings .....	129, Volume 2
Interim Studies, Legislative .....	133, Volume 1
Judicial Branch.....	A-18, Volume 3
Justice, Dept. of.....	D-6, Volume 4
K-12 Education (see Office of Public Instruction).....	E-1, Volume 4
Labor and Industry, Dept. of.....	D-108, Volume 4
Legislative Branch .....	A-1, Volume 3
Legislative Audit Division.....	A-13, Volume 3
Legislative Budget Highlights .....	9, Volume 1
Legislative Committees and Activities .....	A-8, Volume 3
Legislative Fiscal Division .....	A-11, Volume 3

Legislative Services Division .....	A-5, Volume 3
Library Commission.....	E-49, Volume 4
Livestock, Dept. of.....	C-79, Volume 4
Long-Range Building Program .....	F-1, Volume 4
Long-Range Planning.....	Section F, Volume 4
Long-Range Planning Summary .....	103, Volume 1
Major Fiscal Challenges/Solutions/Issues .....	21, Volume 1
Military Affairs, Dept. of .....	D-139, Volume 4
Mines and Geology, Bureau of .....	E-111, Volume 4
Montana Arts Council .....	E-44, Volume 4
Montana Consensus Council .....	A-199, Volume 3
Montana Historical Society .....	E-54, Volume 4
Montana Library Commission.....	E-49, Volume 4
Montana University System (see Higher Education, Commissioner of)	
Agricultural Experiment Station .....	E-111, Volume 4
Bureau of Mines and Geology.....	E-111, Volume 4
Community College Assistance Program .....	E-97, Volume 4
Fire Services Training School .....	E-111, Volume 4
Forestry and Conservation Experiment Station.....	E-111, Volume 4
Guaranteed Student Loan Program .....	E-125, Volume 4
Improving Teacher Quality .....	E-95, Volume 4
Montana Extension Service.....	E-111, Volume 4
Student Assistance Program.....	E-88, Volume 4
Tribal College Assistance.....	E-123, Volume 4
University Educational Units (UM and MSU campuses) .....	E-111, Volume 4
Workforce Development Program .....	E-108, Volume 4
Natural Resources and Commerce .....	Section C, Volume 4
Natural Resources and Conservation, Department of.....	C-102, Volume 4
Natural Resource Taxes.....	87, Volume 2
Office of Public Instruction.....	E-1, Volume 4
One-Time Only Appropriation Summary .....	110, Volume 1
Other Fiscal Issues.....	91, Volume 1
Pay Plan .....	93, Volume 1
Personal Services Funding .....	93, Volume 1
Pension Plans Unfunded Liabilities .....	119, Volume 1
Political Practices, Commissioner of .....	A-67, Volume 3
Property Taxes .....	247, Volume 2
Proprietary Funds and Rate Setting .....	129, Volume 1
Public Defender, Office of .....	A-203, Volume 3
Public Education, Board of .....	E-23, Volume 4
Public Instruction, Office of.....	E-1, Volume 1
Public School Funding.....	99, Volume 1
Public Service Regulation .....	D-46, Volume 4
Public Health and Human Services, Dept. of .....	B-1, Volume 3

Reclamation and Development Grant and Loan Program .....	F-36, Volume 4
Regents, Board of .....	E-128, Volume 4
Renewable Resource Grant and Loan Program .....	F-29, Volume 4
Resource Indemnity Account .....	135, Volume 1
Resource Indemnity Trust Fund .....	167, Volume 1
Revenue Estimates (see Volume 2 table of contents for specific taxes).....	Volume 2
Revenue, Dept. of .....	A-120, Volume 3
Revenue Summary.....	41, Volume 1
School for the Deaf and Blind.....	E-30, Volume 4
Secretary of State.....	A-63, Volume 3
Staff Assignments, LFD.....	Vii, Volume 1
State Auditor's Office.....	A-71, Volume 3
State Building Energy Conservation Program.....	F-16, Volume 4
State Employee – FTE Summary.....	96, Volume 1
State Employee Pay Plan.....	93, Volume 1
State Fiscal Picture .....	17, Volume 1
Statutory Appropriations.....	122, Volume 1
Structural Balance .....	139, Volume 1
Supplemental Appropriations, Fiscal 2007 .....	114, Volume 1
Tax Policy and Initiatives, Summary (also see Volume 2) .....	47, Volume 1
Tobacco Settlement Funds .....	112, Volume 1
Transfers .....	127, Volume 1
Transportation, Dept. of.....	A-84, Volume 3
Treasure State Endowment Program.....	F-21, Volume 4
Treasure State Endowment Regional Water System.....	F-26, Volume 4
Trust Funds .....	153, Volume 1
Vacancy Savings.....	98, Volume 1